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# THE DECIDING FACTOR: ANALYSING THE NUMBER OF MODALITY OF DECISIONS MADE BY THE BOARD OF THE GREEN CLIMATE FUND

Mark Hopkins, Archi Rastogi

IEU Working Paper No. 7, 2023



# The Deciding Factor: Analysing the Number of Modality of Decisions Made by the Board of the Green Climate Fund

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Mark Hopkins, Archi Rastogi

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175, Art center-daero  
Yeonsu-gu, Incheon 22004  
Republic of Korea  
Tel. (+82) 032-458-6450  
Email: [ieu@gcfund.org](mailto:ieu@gcfund.org)  
<https://ieu.greenclimate.fund>

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## **About this Working Paper**

This paper analyses the nature and quantity of decisions made by the Board of the GCF during 2020 and 2021. The paper aims to illustrate the mechanics of the decision-making of the Board that will aid assessment of the effectiveness and efficiency of the GCF's governance.

## **About the authors**

Mark Hopkins was an evaluation intern at the IEU, responsible for providing analytical and research assistance to IEU evaluations.

Archi Rastogi is an evaluation advisor ad interim at the IEU. At the IEU, he is the task lead for the Second Performance Review and IEU-Board liaison, among other things. He holds a PhD in natural resource sciences.

## ABSTRACT

This paper presents an exploratory review of the nature and quantity of decisions made by the Board of the Green Climate Fund during the period 2020-2021. By providing an illustration of the mechanics of the decision-making of the Board and identifying emerging patterns, this paper intends to inform the GCF's Second Performance Review. The paper first proposes an analytical framework based on previous reviews of the governance of international organizations. The paper then presents an analysis of Board decisions taken in 2020-2021, finding that the period 2020-2021 saw the Board take a high number of between Board meeting (BBM) decisions, including on policy items, and that the number and type of decisions varied significantly across Board meetings (including BBMs). The paper concludes by considering the implications of these findings for an assessment of the GCF's governance.

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## ABBREVIATIONS

<b>AE</b>	Accredited entity
<b>BBM</b>	Between Board meeting decision
<b>COP</b>	Conference of the Parties
<b>CSO</b>	Civil society observer
<b>FAO</b>	Food and Agriculture Organisation
<b>FP</b>	Funding proposal
<b>GCF</b>	Green Climate Fund
<b>GEF</b>	Global Environment Facility
<b>GEF IEO</b>	Global Environment Facility Independent Evaluation Office
<b>GI</b>	Governing Instrument
<b>IEG</b>	Independent Evaluation Group, World Bank
<b>IEU</b>	Independent Evaluation Unit
<b>IIU</b>	Independent Integrity Unit
<b>IFI</b>	International financial institution
<b>IMF</b>	International Monetary Fund
<b>IRM</b>	Independent Redress Mechanism
<b>SPR</b>	Second Performance Review
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change



## A. INTRODUCTION

### 1. GOVERNANCE

Governance is an encompassing term that refers broadly to the systems through which a given social system is directed or controlled. According to the Cambridge Dictionary, governance is “the way that organisations or countries are managed at the highest level, and the systems for doing this.”<sup>1</sup> The encompassing nature of the term means that more precise definitions depend upon the nature of the particular social system or organization being studied. The Chartered Governance Institute, for instance, defines corporate governance as “the system of rules, practices and processes by which a company is directed and controlled”. Corporate governance refers, moreover, “to the way in which companies are governed and to what purpose. It identifies who has power and accountability, and who makes decisions.” (Chartered Governance Institute of UK and Ireland, n.d.)

A formally agreed-on definition of governance in the context of multilateral (or international) organizations is currently lacking. Nonetheless, reviews of governance at organizations such as the World Bank, International Monetary Fund (IMF), Global Environment Facility (GEF), and the Food and Agriculture Organization of the United Nations (FAO) have used definitions that feature several consistent elements. First, the governance of international organizations is defined as **the exercise of political authority by member nations, consisting of a set of both formal and informal structures, conventions, and rules that determine how an organization is steered and how its decision-making processes work.** (GEF, 2010; Zedillo and others, 2009; IMF IEO 2008; FAO 2007.) Moreover, governing bodies are primarily responsible for steering or directing an organization strategically, setting priorities, managing and allocating resources, providing oversight and monitoring implementation, and representing stakeholders. (OECD, 2015; WBG IEG, 2007; GEF, 2010; IMF IEO, 2008)<sup>2</sup>

In a 2009 review of governance in the World Bank Group, Zedillo and others (2009, pp.16) also lay out some “essential principles of good governance” in the context of international organizations, recognizing that these differ in important aspects from good governance principles that might be applied to both private corporations and/or public sector organizations based within a country:

It is not easy to identify key principles of good governance for an international organization. Simple comparisons to private sector corporations, which are subject to the discipline of the market, or to public sector organizations, which are subject to control by sovereign authorities, are not always relevant. However, one can assert a broad principle that an organization’s governance structure should provide the people who comprise its governing bodies with proper incentives to pursue objectives that are aligned with the interests of shareholders and stakeholders.

The report on governance in the World Bank suggests that international organizations are more likely to be well governed if they abide by the principles, see Box 1.

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<sup>1</sup> Available at <https://dictionary.cambridge.org/dictionary/english/governance>.

<sup>2</sup> OECD stands for Organization for Economic Cooperation and Development, WBG IEG stands for Independent Evaluation Group of the World Bank.

### **Box 1. Principles of good governance**

1. **Governance arrangements should allow the organization to formulate a strategic vision and to translate it into efficient operational policies**, taking into account the organization’s comparative advantage, environment, and risks. The arrangements should also provide enough flexibility to allow the institution to adapt within a reasonable time to changing conditions.
2. **The division of labour among governing bodies should be precise** to avoid confusion, duplication, and the dilution of responsibility and accountability.
3. **Conflicts of interest must be avoided as far as possible and made transparent in all cases.** Governance that permits decisions that benefit the particular interests of a shareholder or individual at the expense of the larger membership is not acceptable.
4. **The ability of independent evaluators and auditors to provide objective analysis to the shareholders and their representatives must be strictly safeguarded** through measures that preserve their independence.
5. **Shareholders should have adequate channels to make their voices heard, to participate meaningfully in decision making, and to influence policy outcomes;** mechanisms should be in place to protect the interests of minority shareholders and resource recipients, not just those of resource providers. Since multiple shareholders may not always share the same perspective and unanimity cannot be assured, a central governance principle should be transparency, so that differences are not obscured and have a greater chance of being reconciled.
6. Leadership selection should be based on a competitive, transparent, and rules-based process with no restrictions on the nationality of candidates.

Source: Adapted from Zedillo and others 2009

Related more specifically to board governance, Nestor has written recently about the drivers of effectiveness in constituency boards of international financial institutions (IFIs). Nestor identifies nine individual drivers of board effectiveness: size of the board (average board size of IFIs is 18); board leadership; knowledge, skills and experience of board members; board diversity (including gender); tenure of board members (average tenure of 2.5 years at IFIs is considered too short); personal commitment of board members; board workload and its distribution through committees; board “maintenance” (e.g. assessments of effectiveness); and board support (Nestor, 2018).

## **2. ASSESSING GOVERNANCE OF MULTILATERAL ORGANIZATIONS**

A number of multilateral organizations have assessed governance through internal and external reviews. These include:

- A 2009 review of World Bank governance titled Report of the High-Level Commission on Modernization of World Bank Group Governance, led by former Mexican President Ernesto Zedillo.
- A 2008 evaluation of governance at the IMF, led by the IMF’s Independent Evaluation Office, and a 2018 update regarding implementing recommendations from the original evaluation.
- A 2007 independent external evaluation on governance at the FAO titled FAO: The Challenge of Renewal.

In addition, the 2010 and 2018 versions of the GEF Independent Evaluation Office’s (GEF IEO) *Overall Performance Study of the GEF* included assessments of governance at the GEF.

Across these and other select reviews, four dimensions for assessing governance emerged: **effectiveness, efficiency, accountability, and voice/participation**. These terms are defined (see Table 1). Although other, less common dimensions such as “strategy formulation” and “transparency” appear in some reviews, they can also be grouped under the four main overarching dimensions.

**Table 1. Definitions of the four dimensions for assessing governance**

DIMENSION	DEFINITION
Effectiveness	Effectiveness refers to the capacity of governance arrangements to deliver high-quality and timely results and, specifically, to agree on goals and strategies and to implement them and monitor their results. Effective governance requires that responsibilities be clearly defined, that different parts of the institution work in concert, and that information flows to the right place at the right time, allowing monitoring and evaluation mechanisms to identify problems and trigger corrective processes.
Efficiency	Efficiency refers to the costs of governance, including financial costs and the time of staff, management, and board members. Efficient governance requires a clear and coherent division of labour among the organs of governance, avoidance of duplicated effort, and policymaking and implementation processes that involve only as many steps and actors as are strictly necessary.  Theory suggests that traditional shareholder models of governance, where membership in the governing body is limited to financial and other contributors, may be more efficient but at some cost to legitimacy. Conversely, stakeholder models that include non-contributors as members may be more legitimate but sometimes less efficient if the number of participants is large and the costs of organizing diverse interests to pursue a common goal become high relative to the expected benefits.
Accountability	Accountability refers to the ability of shareholders (and possibly other stakeholders) to hold the organization and its decision makers to a set of standards, to judge whether they are meeting those standards, and to set rewards or sanctions accordingly. Accountability requires benchmarks for judging performance, good reporting and monitoring mechanisms, clear lines of authority, and the capacity to sanction underperforming agents.
Voice/participation	Voice refers to the ability of an organization’s members to have their views considered in the decision-making process and to the ability of other affected stakeholders, including civil society organizations, to have their views considered by the organization’s governing bodies. To exercise voice in this sense, stakeholders need channels where their opinions are heard, a culture of openness, and safeguards to protect those expressing controversial or unpopular views.

Source: Adapted from IMF IEO (2008), WBG IEG (2007)

### 3. OBJECTIVES OF THE WORKING PAPER

#### a. Purpose

Through this exploratory review of the nature and quantity of decisions made by the GCF Board, we aim to illustrate the mechanics of its decision-making and identify emerging patterns. This analysis

is intended to inform the Second Performance Review of the GCF, currently underway at the Independent Evaluation Unit (IEU). Within the Second Performance Review, this analysis will aid in assessing the effectiveness and efficiency of the GCF Board. There remains a lack of knowledge about the number of GCF Board decisions and whether they vary across periods and modalities – a gap this paper seeks to address.

This paper covers a preliminary review and analysis of Board decisions in the GCF-1 period, 2020-2021. The key questions informing the decision analysis are:

- How many decisions has the Board made during GCF-1?
- What types of decisions has the Board made during GCF-1?
- How consistently has the Board made decisions (all decisions, as well as decisions by type)?

While beyond the scope of this analysis, it is worth emphasizing this paper's broader context. Institutions such as the GCF operate in constantly evolving environments driven by exogenous and endogenous forces (Gerschewski, 2021). The GCF was established partly because of a perceived gap in channelling financial resources from developed to developing countries to address climate change in a developing country-driven approach. The GEF, for instance, serves five conventions (and so cannot exclusively target climate finance), and operates through an exclusive set of 18 'GEF Agencies'. However, the GCF is also not immune to the pressures of institutional change and the need to define a comparative advantage. A challenge for the GCF is that in taking on such an ambitious mandate, it also embodies key tensions that result in struggles over how to operationalize many of the provisions set out in the Governing Instrument (GI) and other strategic guidance (IEU, 2019). Efficient and effective governance is thus crucial for navigating such challenges and helping ensure the delivery of the GCF's mandate. While this paper does not explicitly seek to assess the effectiveness or efficiency of GCF governance, it does aim to shed light on patterns of Board decision-making that can inform such an assessment.

## **b. Limitations**

The analysis is only a preliminary review and has several limitations. Firstly, as an entirely desk-based exercise, it is limited in its ability to accurately describe the real-world and emergent nature of decision-making. Second, the operationalization of the terms may be subjective. The authors have tried to overcome this limitation through the steps described below in the methods section. Third, limitations of qualitative data-collection apply, related to internal and external validity. For instance, the exploratory research may be limited in responding to larger questions about Board decisions and what they mean for GCF governance. It is also worth adding that this paper does not provide a normative assessment of decision quality and quantity. There is no perfect benchmark or experience for comparison, and it is beyond the scope of the paper to provide a normative direction or assessment. Finally, much of the available literature on the governance of international organizations and the analytical frameworks upon which it tends to be based is not recent. Although both the IMF and GEF evaluation offices have conducted recent (albeit limited) assessments of the governance at their respective organizations, they draw upon analytical frameworks developed as part of broader assessments of governance developed in the late 2000s.

Other limitations related more specifically to categorizing decisions and efforts to overcome them should also be noted. Despite the rigorous coding process through which Board decisions were categorized, one limitation of the inductive process is that the categories developed here may not cover future decisions. For example, no evaluation decisions were made during the review period until B.30 in October 2021; this category had to be added following B.30. It is also possible that a future decision may be both a strategy and policy decision, or a strategy, policy, and operational guidance decision. In such a case, the categories developed as part of the current analysis would have to be significantly reworked.

A broader limitation is that the analysis only focuses on decisions made during the GCF-1 programming period to date (up to the end of 2021). Focusing only on this period precludes a comparative analysis between decision-making in GCF-1 (up to the end of 2021) and the preceding Initial Resource Mobilisation programming period.<sup>3</sup>

Lastly, it is not possible to track whether an item is being discussed across multiple Board meetings. The amount of Board time spent discussing certain items – including strategy and policy items – may thus not necessarily be reflected in an analysis focusing only on decisions. Therefore, this analysis cannot provide a comprehensive account of the complexity or nuances of decision-making. Nonetheless, it is only through decisions that the Board can concretely exercise its governance function. The analysis of decision-making presented here can thus contribute to broader assessments of governance in the context of the GCF.

## 4. GOVERNANCE AT THE GREEN CLIMATE FUND

### a. Institutional architecture

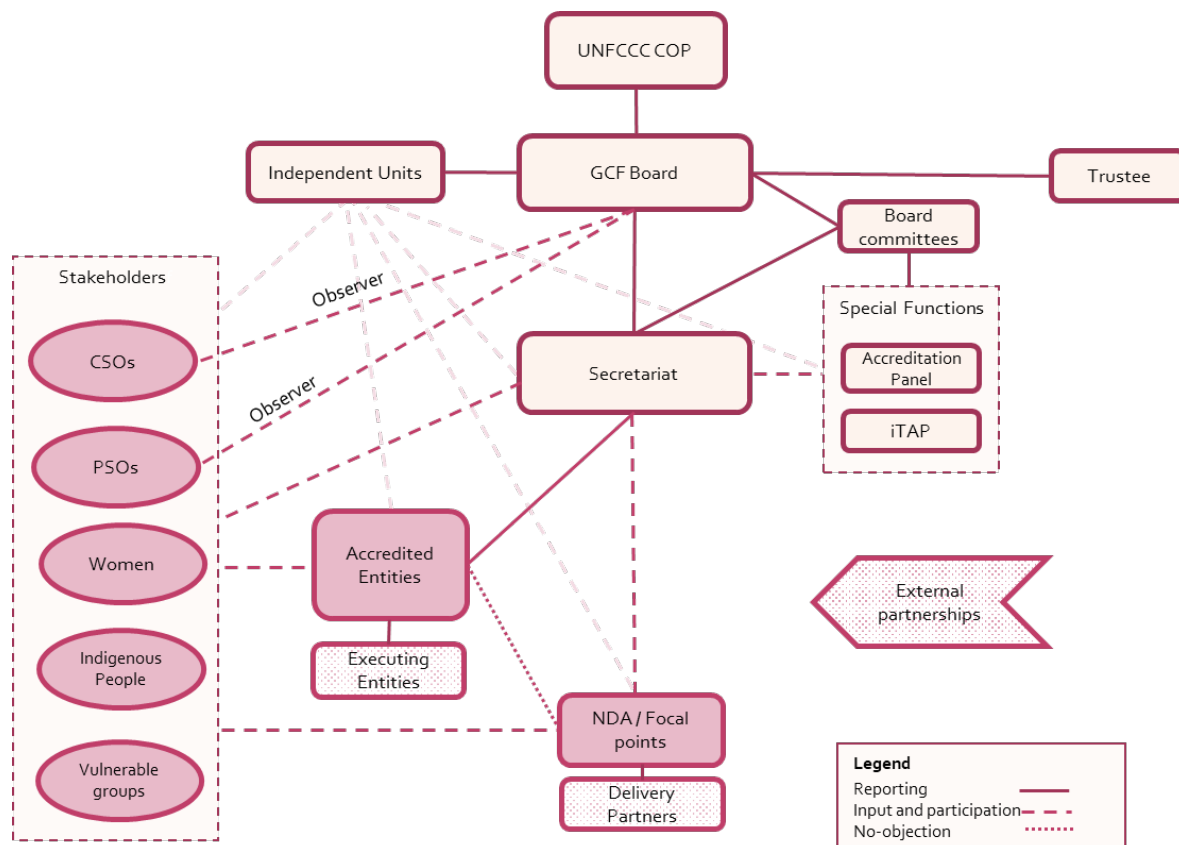
The GCF was established in 2010 to support developing countries in responding to the challenges of climate change. The GCF serves as an operating entity of the financial mechanism of the United Nations Framework Convention on Climate Change (UNFCCC) and aims to promote a paradigm shift towards low-emission and climate-resilient development pathways in the context of sustainable development, as well as support developing countries in the implementation of the Paris Agreement (GCF, 2020).

The GCF's GI lays out the Fund's institutional architecture. It provides for the constitution of the Board and the establishment of the Secretariat, the trustee, and three independent units. The core GCF institutional architecture consists of the Board with its governance and supervision function, the Secretariat as the main managing and operational body, and the independent units and trustee to assist the Board in providing oversight. Other actors include external partners such as accredited entities (AEs) and national designated authorities, as well as civil society observers and private sector observers. Special functions are also assigned to internal bodies, including the accreditation panel, climate investment committee, and the independent Technical Advisory Panel. See Figure 1 for this institutional architecture.

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<sup>3</sup> Although likely to be highly valuable, an analysis of decisions made in the Initial Resource Mobilisation programming period compared to GCF-1 remains outside the scope of this paper and resources made available to it.

**Figure 1. Institutional architecture of the GCF**



Source: IEU (forthcoming)

Note: Delivery partners are responsible for reporting on the progress of Readiness and Preparatory Support Programme activities to the Secretariat.

Abbreviations: CSO (civil social organization), PSO (private sector organization), NDA (National Designated Authority), iTAP (independent Technical Advisory Panel)

As set out in the GCF’s GI, the Fund is accountable to and functions under the guidance of the Conference of the Parties (COP) – the supreme decision-making body of the UNFCCC.<sup>4</sup> The GCF is, moreover, governed and supervised by a Board of 24 members composed of 12 developing and 12 developed country Parties.<sup>5</sup> The *Rules of Procedure of the Board*<sup>6</sup> also provide that representation on the Board from developing country Parties will include three members and alternate members from the Asia-Pacific States; three members and alternate members from the African States; three members and alternate members from the Latin American and the Caribbean States; one member and alternate member from small island developing States; one member and alternate member from least developed country parties; and one member from developing country Parties not included in the regional groups and constituencies above (GCF, 2013). The parity in membership between developing and developed constituencies stands in contrast to the governance structures of more established international organizations such as the World Bank. It reflects debates in development cooperation over recent decades that have criticized the dominance of wealthier donor countries in decision-making in other international organizations (Kalinowski, 2020).

In addition to receiving guidance from the COP and taking appropriate action in response to this guidance, the Board has a number of functions as laid out in the Governing Instrument. These

<sup>4</sup> FCCC/CP/2011/9/Add.1, Decision 3/CP.17, Annex II, paragraph 4.

<sup>5</sup> FCCC/CP/2011/9/Add.1, Decision 3/CP.17, Annex II, paragraph 9.

<sup>6</sup> The Rules of Procedure provide details on the mechanism for decision-making in the GCF, and cover areas such as quorum, frequency, locations, setting of agendas and modes of decision-making.



include the approval of operational modalities, access modalities, and funding structures. They also include the approval of specific operational policies and guidelines and the approval of funding proposals in line with the Fund's principles, criteria, modalities, policies, and programmes. Thus, the Board is set to play a crucial role in providing guidance to the Secretariat and facilitating the effective operation of the GCF in fulfilling its mandate. The GCF Board is, in other words, the central part of the Fund's governance structure. Its proper functioning is essential for the GCF to fulfil its mandate of promoting a paradigm shift towards low-emission and climate-resilient development pathways.

### **b. Meetings of the GCF Board**

Board meetings are the GCF's primary "arena" for executive decision-making. The Board's rules of procedure stipulate that it "will meet in-person at least twice every year at the seat of the Secretariat (Songdo, Republic of Korea) or at an alternative location agreed by the Board." The Board's first two meetings were held in 2012, with three meetings held every subsequent year up to 2021. The only exception to this trend was in 2016 when the Board met four times. The Board also met four times in 2022.

The rules also provide that if a regular Board meeting cannot be held in-person or in the case of extraordinary circumstances, Board meetings may be held virtually (by videoconference). With the onset of the COVID-19 pandemic in early 2020, the Board recognized in a between Board meeting decision (B.BM-2020/07) the exceptional circumstances created by the pandemic. It confirmed "that unless the circumstances allow for a physical Board meeting, the Board meetings in 2020 will be held as net-meetings".<sup>7</sup> Five of the six Board meetings held during 2020 and 2021 were conducted virtually; only the twenty-fifth meeting (B.25) in March 2020 was held in-person. In-person Board meetings resumed in 2022, with B.32 taking place in Antigua and Barbuda in May 2022.

### **c. Methods**

Answering questions on the quantity and nature of decisions required the collation and categorization of Board decisions made in GCF-1 (i.e. the first strategic period of the GCF, starting in 2020).<sup>8</sup> As the cut-off date for this paper's data is the end of 2021, decisions from six Board meetings have been included in the present analysis (up to B.30), as well as decisions made between Board meetings from 2020 and the entirety of 2021.

Board decisions, including BBMs, are publicly available on the GCF website.<sup>9</sup> In addition, the Secretariat has published and periodically updates a "GCF Handbook" containing all decisions, policies, and frameworks. The most recent edition of this Handbook was updated in March 2022.<sup>10</sup> For this analysis, all decisions recorded on the GCF website were entered into a spreadsheet. A verification exercise was then carried out, with decisions in the spreadsheet cross-checked against those in the Handbook. Some "limited distribution decisions" – for example, decision B.28/05 – that are not published on the GCF website are recorded in the Handbook, and these were subsequently entered into the spreadsheet.

The next step of the analysis involved categorizing decisions through an inductive approach.<sup>11</sup> Ultimately, we arranged decisions into 10 mutually exclusive categories, with precise and rigorous definitions provided for each decision category (see Table 3). These 10 categories are strategy,

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<sup>7</sup> Decision B.BM-2020/07.

<sup>8</sup> This is an exploratory paper with no preconceived hypothesis. The paper draws upon the tenants of grounded theory, and as such has not sought to develop testable hypotheses. See Appendix 2 for more information.

<sup>9</sup> Available at <https://www.greenclimate.fund/boardroom/decisions>.

<sup>10</sup> Available at <https://www.greenclimate.fund/document/gcf-handbook>.

<sup>11</sup> See Appendix 2 for more information.

policy, operational guidance, audit, work programmes, COP-related, Board matters, evaluation, accreditation proposals, and FPs. See Table 2 for definitions and examples of these category types. It is important to reiterate that the categories indicate the **nature of the decision** being made by the Board (e.g. approving work programmes, requesting a policy to be developed) as opposed to the relevant actor undertaking the action.

**Table 2.** *Definitions of decision categories developed and used for the analysis*

DECISION CATEGORY	DEFINITION/EXAMPLE
Audit	Decisions related to the audit function, including audited financial statements and the appointment of an external auditor
Accreditation proposals	Decisions related to accreditation proposals, including the approval of proposals and reaccreditation
COP	Guidance from the COP and other decisions related to the COP
Funding proposals	Decisions related to funding proposals, including approval of proposals and the extension of deadlines
Matters related to the Board and Board meetings	<ul style="list-style-type: none"> <li>• Procedural decisions related to the operation of the Board (opening of meetings, dates and venues of Board meetings)</li> <li>• Matters related to Board activities (including committee appointments and reviews, workplans)</li> <li>• Matters related to Board-appointed officials (including heads of independent units, performance reviews)</li> </ul>
Operational guidance	Decisions that request the Secretariat or independent units to revise or develop a policy, or that approve other non-policy and non-strategy actions (e.g. B.28/02)
Policy	Decisions related to regulations or procedures for any or all GCF stakeholders, including the Board, Secretariat, independent units, and AEs. Policy decisions include B.29/01 (integrated results management framework and results tracking tool) and B.BM-2021/16 (Decision of the Board on the guidelines to facilitate Board consideration of Independent Redress Mechanism (IRM) reports on reconsideration requests, grievances or complaints)
Strategy	Strategic decisions concern overall plans that set organizational objectives. From our analysis, only one such decision emerged: B.27/06 (Updated Strategic Plan for the GCF for 2020-2023)
Work programme and budget	Decisions related to the work programmes and budgets of the Secretariat and independent units, as well as of specific programmes such as the Readiness and Preparatory Support Programme
Evaluation <sup>12</sup>	Items related to evaluations, assessments, and syntheses reports produced by the IEU, as provided in the GCF Evaluation Policy. For example, the Board may take note of IEU evaluation reports, as in B.30/02. Decisions related to workplans and operations are not included here and are covered in the category above

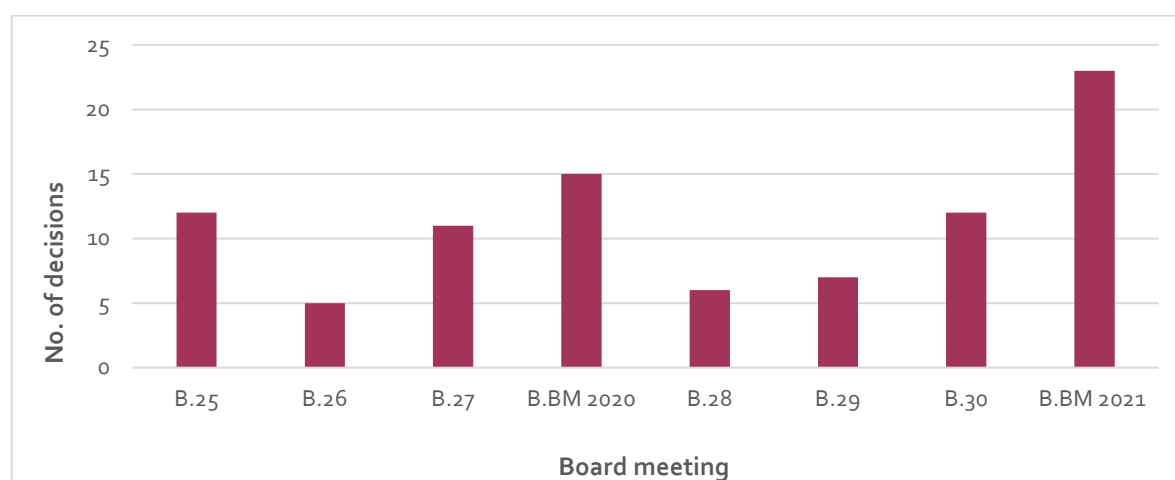
<sup>12</sup> Decisions directing the IEU to undertake an evaluation, or decisions relating to completed evaluations, are considered distinct from decisions directing the Secretariat to undertake a review. The latter are coded depending on the coverage of the review (e.g. a review of Board-related functions such as membership of the Accreditation Panel would be coded as ‘Matters related to Board and Board meetings’). This is because the independent evaluation function has a distinct and specific role, as provided for in the Governing Instrument. For further detail, see Appendix 2.

## B. FINDINGS AND ANALYSIS

### 1. NUMBER OF DECISIONS MADE BY THE GCF BOARD

A total of 91 Board decisions were made in 2020-2021. Of these, 53 decisions were made during Board meetings – an average of 8.83 decisions per meeting. In addition, 38 decisions were made as between Board meeting decisions (BBMs made in 2020 and 2021), including 15 in 2020 and 23 in 2021 (see Figure 2). BBMs have thus comprised 41.8 per cent of the total number of decisions made in GCF-1 to the end of 2021 – a disproportionately high amount. Some potential explanations are discussed below.

**Figure 2.** *Total number of decisions per GCF Board meeting, 2020-2021*



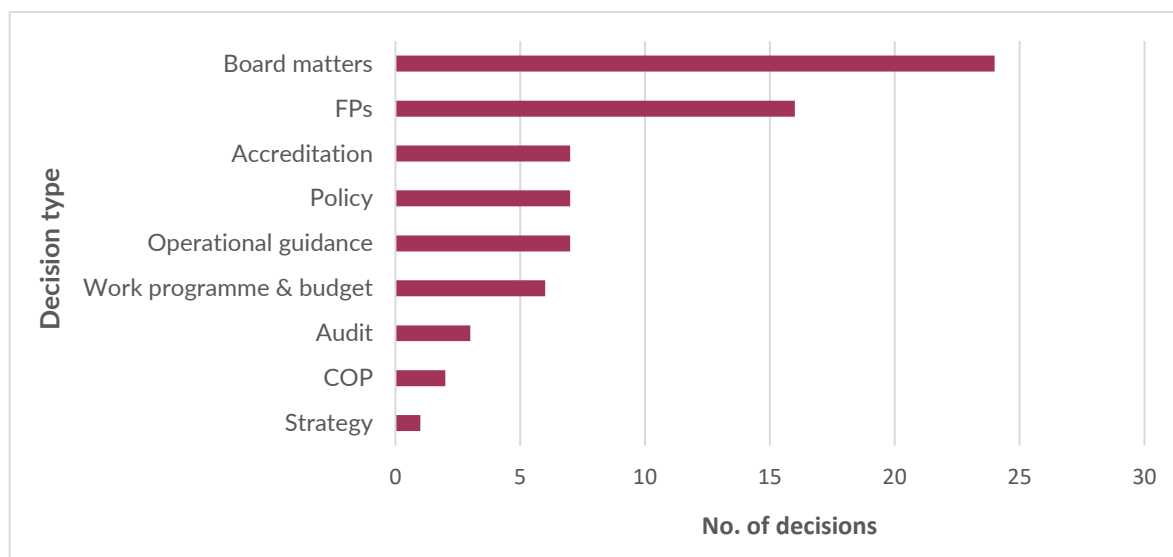
Source: IEU DataLab, as of 31 December 2021

### 2. TYPE OF DECISIONS

See Figure 3 showing the number of Board decisions made in 2020-2021 by decision type, based on the 10 categories developed by the IEU for this analysis. Most decisions made in GCF-1 up to the end of 2021 (27 out of 91) relate to Board matters and Board meetings. These include procedural items such as the opening of meetings and more substantive matters such as committee appointments. The second-highest category of decisions is “funding proposals” (FPs), with 20 made since the start of 2020. Decisions related to work programmes and budgets are the third most frequent, with 10 decisions in 2020 and 2021.

The role of a governing Board in providing strategic direction is pivotal. The GCF Board made a limited number of strategy and policy decisions in 2020-2021. It has made one strategy decision (B.27/06) and nine policy decisions since the start of 2020, with these two decision types comprising 11 per cent of overall Board decisions.

**Figure 3. Total number of Board decisions by type**



Source: IEU DataLab, as of 31 December 2021

### 3. CONSISTENCY

Our analysis also indicates that decisions on policy matters have not been made consistently: no policy decisions were made in 2020, while B.28 and B.29 saw one policy decision each. A more detailed breakdown of strategy and policy decisions, (see Table 3) indicates that most decisions (seven out of 10) were made as BBMs in 2021. This high number of BBMs means only three strategy and policy decisions were taken during regular Board meetings, equivalent to 5.6 per cent of regular Board meeting decisions.

It is possible, of course, that the virtual setting of Board meetings during the pandemic has seen the Board focus more on non-policy and strategy matters, given that policy and strategy items often require extensive deliberation and discussion. Indeed, there is a growing body of literature chronicling many of the challenges posed by videoconferencing, including mental and physical exhaustion resulting from factors such as prolonged direct eye gaze, increased brain activity associated with the appearance of images on-screen, and information overload (Karl, Peluchette and Aghakhani, 2022; Fosslie and Duffy, 2020). For the GCF’s virtual Board meetings, the need to accommodate the participation of Board members dialling in across a number of different time zones potentially exacerbates such challenges. In East Asia, for example, where several Board members and the Secretariat are physically located, virtual Board meetings often extended into the morning’s early hours. An additional concern, particularly important for international organizations such as the GCF, is that a virtual format makes it difficult to engage in the dynamics of multilateral meetings, such as negotiating decisions and introducing amendments or additional proposals (Burci, 2020).

**Table 3. Strategy and Policy decisions taken by the GCF Board during 2020-2021**

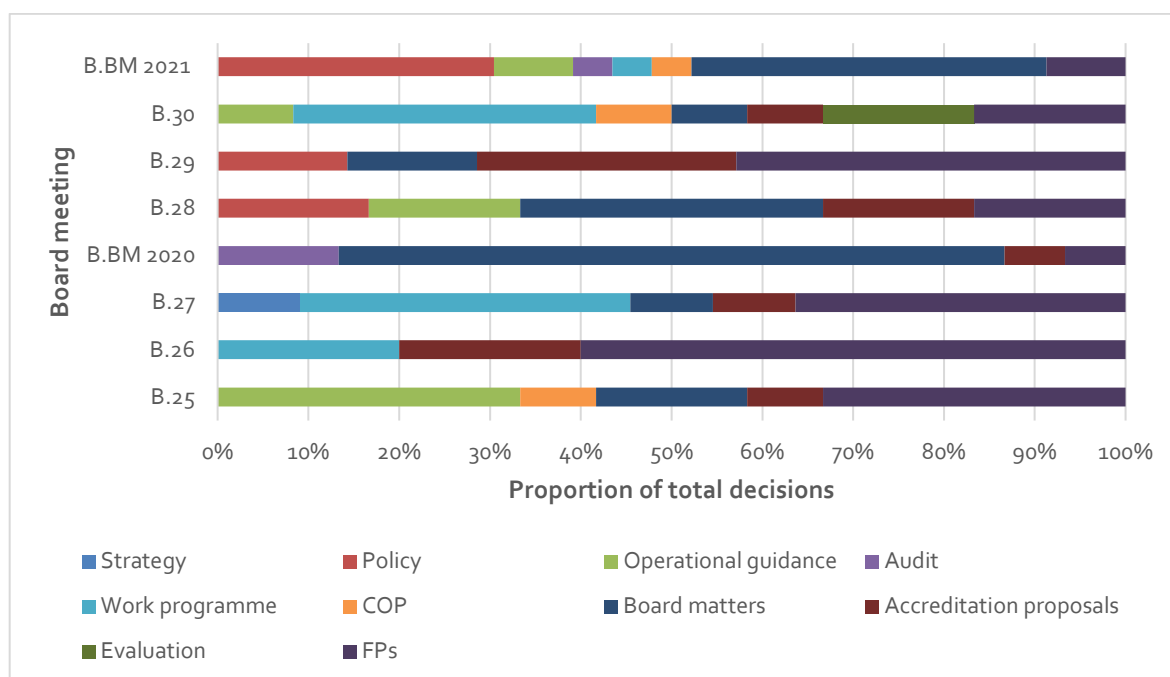
DECISION TYPE	DECISION NUMBER	DECISION TITLE
Strategy	B.27/06	Updated Strategic Plan for the GCF for 2020-2023
Policy	B.28/03	Review of the structure and operations of the independent Technical Advisory Panel
Policy	B.29/01	Integrated results management framework and results tracking

		tool
Policy	B.BM-2021/07	Decision of the Board on the Evaluation Policy for the GCF
Policy	B.BM-2021/08	Decision of the Board on the revised Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment
Policy	B.BM-2021/09	Decision of the Board on the Administrative Remedies and Exclusion Policy
Policy	B.BM-2021/15	Decision of the Board on the amendment to the Evaluation Policy for the GCF: Updated terms of reference of the Independent Evaluation Unit
Policy	B.BM-2021/16	Decision of the Board on the guidelines to facilitate Board consideration of IRM reports on reconsideration requests, grievances or complaints
Policy	B.BM-2021/18	Decision of the Board on revisions to the Green Climate Fund's Environmental and Social Policy to reaffirm the Fund's commitment to addressing Sexual Exploitation, Sexual Abuse, and Sexual Harassment
Policy	B.BM-2021/22	Decision of the Board on the Investigation Standards

Source: IEU DataLab, as of 31 December 2021

See Figure 4 for the breakdown of decision type as a proportion of total decisions per Board meeting. As we expected, this figure shows that some types of decisions are made consistently by the Board across meetings. These include decisions on FPs, accreditation proposals, and Board matters. Work programme and budget-related decisions tend to be made in the last Board meeting of a calendar year – B.27 for 2020 and B.30 for 2021. Audit decisions have only been made as BBMs. On the other hand, some decision types are made less consistently. As discussed above, strategy and policy decisions were limited during 2020 and 2021. Figure 4 also indicates that decisions on operational guidance, COP, and evaluation have been made inconsistently.

**Figure 4. Proportion of total decisions per Board meeting by decision type**



Source: IEU DataLab, as of 31 December 2021

Note: B.BM 2021: Board matters 41.1%, policy 29.4%, operational guidance 11.8%, audit 5.9%, work programme and budget 5.9%, COP 5.9%; B.30: Work programme and budget 33.3%, evaluation 16.7%, FPs 16.7%, COP 8.3%, accreditation proposals 8.3%, operational guidance 8.3%, Board matters 8.3%; B.29: FPs 42.8%, Accreditation proposals 28.6%, policy 14.3%, Board matters 14.3%; B.28: Board matters 33.2%, policy 16.7%, operational guidance 16.7%, accreditation proposals 16.7%, FPs 16.7%; B.BM 2020: Board matters 73%, audit 13%, accreditation proposals 7%, FPs 7%; B.27: Work programme and budget 36.5%, FPs 36.5%, Board matters 9%, accreditation proposals 9%; B.26: FPs 60%, work programme and budget 20%, accreditation 20%; B.25: operational guidance 33.3%, FPs 33.3%, Board matters 16.6%, COP 8.4%, accreditation proposals 8.4%.

## C. CONCLUSION

In this paper we have considered solely the indicators of number and category of decisions taken. This analysis is therefore limited in providing specific insights on the broad governance of the GCF. Instead, we consider the number and category of decisions as a constituent of the effectiveness and efficiency of decisions (IEU, forthcoming). We then conducted a simplistic and preliminary analysis of GCF governance viewed through the prism of Board decision-making during the GCF-1 period to the end of 2021. A further summary of the findings is presented here.

### 1. HIGH NUMBER OF BBM DECISIONS

One important observation from the decision analysis related to effectiveness is the high number of BBMs taken from 2020 to 2021. The high figure was likely due to most Board meetings taking place virtually during this period. A detailed discussion of whether these BBMs are optimum decisions and whether a BBM is an appropriate forum for adopting such decisions and enhancing Board effectiveness is beyond the scope of this paper. However, it is worth noting the possibility that BBMs provide greater agility in the Board decision-making process for certain decisions that are otherwise subject to the uncertain timing of Board meetings. Such uncertainty can present several challenges. For example, in 2022, the date of B.31 was pushed back from February to March, which resulted in the lapse of accreditation of certain entities, meaning that proposed FPs

could no longer be submitted to the Board. The BBM modality was further discussed in the context of the decision around the simplified approval process at B.32.

However, on the positive side, several important items were approved through the BBM modality, including policy items, the launch of the Second Performance Review of the GCF, reporting to the UNFCCC and accreditation of observer organizations. An argument may be made that BBMs provide for increased agility and the ability to make decisions without necessitating a meeting. On the other hand, it is conceivable that BBMs do not provide the level of transparency and information-sharing possible during an in-person meeting of the Board. The perceived legitimacy of this mode of decision-making warrants further consideration as it led to the Board adopting a set of guidelines to determine in which cases decisions without a Board meeting may be requested (decision B.32/11).

## 2. VARIANCE IN NUMBER OF DECISIONS MADE PER BOARD MEETINGS

Our analysis indicates that some Board meetings result in significantly fewer decisions than others. This may be due to several factors, including the nature of the items placed on the agenda and the general context of the Board meeting (e.g. B.25 took place under severe duress because of COVID-19). Further, it is generally expected that the last Board meeting of each year considers operational items such as workplans for the Secretariat and independent units, leading to a different nature and number of decisions made compared to other Board meetings. Other factors will be assessed in greater detail as part of the ongoing Second Performance Review of the GCF conducted by the IEU.<sup>13</sup> More generally, it is worth stating that the number of decisions is intended neither as a sole indicator of efficiency (a decision may have taken very long in development) nor as a determinant of the effectiveness and quality of decisions.

It is also important to note that the current analysis does not make any comparison with boards of similar institutions, and a rigorous assessment is not possible based solely on the data used here. Diverse factors affecting decision-making are not accounted for, including:

- Nature of the items being considered by the Board
- Preparation of the item (e.g. whether it was discussed across multiple meetings)
- Urgency

As a further methodological note, this analysis is helpful in understanding and illustrating some of the background to decision-making. It also helps quantify some dimensions of decision-making and will be useful in contributing to an overall evaluative assessment related to efficiency and effectiveness. However, a more thorough account would be possible only through in-depth primary data-collection, which would help provide a normative benchmark and direction.

## 3. IMPLICATIONS FOR MULTILATERAL INSTITUTIONS

The GCF is a multilateral institution. Unlike other comparator finance institutions, however, the GCF was conceived for and is regarded highly for its decision-making parity among developing and developed countries. Having received its foundation and legitimacy from the UNFCCC, the GCF also borrows from the UNFCCC's culture of decision-making. This cultural legacy is evident in the GCF's consensus-based decision-making (although applied in a more limited way), emphasis on 'one seat, one vote', and overall procedural elements. While its decision-making is based on multilateral culture, its scope is about the delivery of climate finance, which provides the GCF with

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<sup>13</sup> A further potential explanation, for example, is the backlog of items on the agenda (both old and new). However, this paper does not have the data to examine specific issues that may cause delays. The authors have therefore not commented in detail on the causes.

a valuable opportunity. As the GCF matures, its decision-making culture will further develop and consolidate. Further consolidation will present opportunities to create pathways for effective and efficient decision-making through a multilateral Board.

It is also worth reiterating that institutions such as the GCF operate in a constantly evolving environment where multilateral institutions must continually adapt to the pressures of institutional change and clearly define their comparative advantage. Efficient and effective governance is crucial for navigating these challenges. Future comparative analyses may illustrate lessons from the GCF and other institutions, enhance the understanding of multilateral decision-making, and support improvements to governance efficiency and effectiveness.

An additional consideration for the governance of multilateral institutions such as the GCF is the impact of external crises on governance and decision-making processes. Although this paper does not compare GCF decision-making before and after the COVID-19 pandemic, it found many 2020–2021 decisions were BBMs and the number of decisions per meeting during this time varied significantly. Assessing the pros and cons of making a high number of BBMs vis-à-vis regular board decisions could be useful in informing preparations for future potential disruptions.



## Appendix 1. LIST OF BOARD DECISIONS (2021-2022) AND VARIOUS CATEGORIZATIONS

*Table A - 1. Classification of Board decisions (2021-2022) developed by the IEU*

DECISION NO.	DECISION TITLE	DECISION CATEGORY (HANDBOOK)	DECISION FOCUS (IEU)	GI COVERAGE AREA (PRIMARY)	GI COVERAGE AREA (SECONDARY)
B.25/01	Opening of the meeting	Board operation	Matters related to Board and Board Meetings	Governance and institutional arrangements	
B.25/02	Opening of the meeting	Board operation	Operational guidance	Governance and institutional arrangements	
B.25/03	Co-Chairs proposal on the review of committees, panels and groups	Board operation	Matters related to Board and Board Meetings	Governance and institutional arrangements	
B.25/04	Consideration of funding proposals	FPs	FPs	Operational modalities	
B.25/05	Board decisions without a Board meeting	Business model	Operational guidance	Governance and institutional arrangements	ESS
B.25/06	Board decisions without a Board meeting	FPs	FPs	Operational modalities	
B.25/07	Guidance from the Conference of the Parties to the United Nations Framework Convention on Climate Change	COP	COP	Governance and institutional arrangements	
B.25/08	Review of the simplified approval process pilot scheme	Business model	Operational guidance	Operational modalities	
B.25/09	Matters related to the independent Technical Advisory Panel	Business model	Operational guidance	Expert and technical advice	
B.25/10	Consideration of funding proposals	FPs	FPs	Operational modalities	
B.25/11	Consideration of funding proposals	FPs	FPs	Operational modalities	

B.25/12	Consideration of accreditation proposals	Accreditation	Accreditation proposals	Operational modalities	
B.26/01	Consideration of accreditation proposals, including consideration of the reaccreditation deadline	Accreditation	Accreditation proposals	Operational modalities	
B.26/02	Consideration of funding proposals	FPs	FPs	Operational modalities	
B.26/03	Consideration of funding proposals	FPs	FPs	Operational modalities	
B.26/04	Consideration of funding proposals	FPs	FPs	Operational modalities	
B.26/05	Readiness and Preparatory Support Programme - Annual Report 2019 and Work Programme and Budget 2020-2021	Funding windows/programmes	Work programme and budget	Operational modalities	
B.27/01	Consideration of funding proposals	FPs	FPs	Operational modalities	
B.27/02	Consideration of funding proposals	FPs	FPs	Operational modalities	
B.27/03	Consideration of funding proposals	FPs	FPs	Operational modalities	
B.27/04	Consideration of funding proposals	FPs	FPs	Operational modalities	
B.27/05	Consideration of accreditation proposals	Accreditation	Accreditation proposals	Operational modalities	
B.27/06	Updated Strategic Plan for the GCF for 2020-2023	Strategic Plan	Strategy	Objectives and guiding principles	
B.27/07	Work programme of the Secretariat and administrative budget for 2021	Secretariat	Work programme and budget	Administrative costs	
B.27/08	Work programmes and budgets of the independent units	Accountability units	Work programme and budget	Administrative costs	Evaluation
B.27/09	Work programmes and budgets of the independent units	Accountability units	Work programme and budget	Administrative costs	Accountability mechanisms

B.27/10	Work programmes and budgets of the independent units	Accountability units	Work programme and budget	Administrative costs	Accountability mechanisms
B.27/11	Matters related to the Head of the Independent Evaluation Unit	Accountability units	Matters related to Board and Board Meetings	Evaluation	Governance and institutional arrangements
B.28/01	Opening of the meeting	Board operation	Matters related to Board and Board Meetings	Governance and institutional arrangements	
B.28/02	Addressing gaps in the current portfolio for measurement	Board operation	Operational guidance	Monitoring	Accountability mechanisms
B.28/03	Review of the structure and operations of the independent Technical Advisory Panel	Business model	Policy	Expert and technical advice	Operational modalities
B.28/04	Consideration of funding proposals	FPs	FPs	Operational modalities	
B.28/05	Accreditation Master Agreement – limited distribution decision	Accreditation	Accreditation proposals	Operational modalities	
B.28/06	Dates and venues of upcoming Board meetings	Board operation	Matters related to Board and Board Meetings	Governance and institutional arrangements	
B.29/01	Integrated results management framework and results tracking tool	Business model	Policy	Monitoring	
B.29/02	Consideration of funding proposals	FPs	FPs	Operational modalities	
B.29/03	Consideration of funding proposals	FPs	FPs	Operational modalities	
B.29/04	Consideration of funding proposals	FPs	FPs	Operational modalities	
B.29/05	Consideration of accreditation proposals	Accreditation	Accreditation proposals	Operational modalities	
B.29/06	Consideration of accreditation proposals	Accreditation	Accreditation proposals	Operational modalities	

B.29/07	Dates and venues of upcoming Board meetings	Board operation	Matters related to Board and Board Meetings	Governance and institutional arrangements	
B.30/01	Decisions proposed between the twenty-ninth and thirtieth meetings of the Board	COP	COP	Governance and institutional arrangements	
B.30/02	Independent assessment of the GCF's simplified approval process pilot scheme	Accountability units	Evaluation	Evaluation	
B.30/03	Consideration of funding proposals	FPs	FPs	Operational modalities	
B.30/04	Consideration of funding proposals	FPs	FPs	Operational modalities	
B.30/05	Consideration of accreditation proposals	Accreditation	Accreditation proposals	Operational modalities	
B.30/06	Review of the capabilities of the GCF to deliver increased programming and implementation over 2020–2023 in line with the updated Strategic Plan	Secretariat	Operational guidance	Governance and institutional arrangements	
B.30/07	Work programme and administrative budget for 2022	Secretariat	Work programme and budget	Administrative costs	
B.30/08	Work programmes and budgets of the independent units for 2022	Accountability units	Work programme and budget	Administrative costs	
B.30/09	Work programmes and budgets of the independent units for 2022	Accountability units	Work programme and budget	Administrative costs	
B.30/10	Work programmes and budgets of the independent units for 2022	Accountability units	Work programme and budget	Administrative costs	
B.30/11	Matters related to the evaluation functions	Accountability units	Evaluation	Evaluation	
B.30/12	Dates and venues of upcoming Board meetings	Board operation	Matters related to Board and	Governance and	

			Board Meetings	institutional arrangements	
B.BM-2020/01	Performance review of the members of the Accreditation Panel	Accreditation	Matters related to Board and Board Meetings	Operational modalities	
B.BM-2020/02	Accreditation of observer organizations	Board operation	Matters related to Board and Board Meetings	Governance and institutional arrangements	
B.BM-2020/03	Status of approved funding proposals: adding host country in respect of FP078 (Acumen Resilient Agriculture Fund (ARAF))	FPs	FPs	Operational modalities	
B.BM-2020/04	Implementation of the performance evaluation and performance-related pay systems for Board-appointed officials	Board operation	Matters related to Board and Board Meetings	Governance and institutional arrangements	
B.BM-2020/05	Consideration of accreditation proposals	Accreditation	Accreditation proposals	Operational modalities	
B.BM-2020/06	Appointment of members of the Accreditation Committee	Board operation	Matters related to Board and Board Meetings	Governance and institutional arrangements	Operational modalities
B.BM-2020/07	Dates and venues for GCF Board meetings in 2020	Board operation	Matters related to Board and Board Meetings	Governance and institutional arrangements	
B.BM-2020/08	Extension of the term of members of the Accreditation Panel	Accreditation	Matters related to Board and Board Meetings	Governance and institutional arrangements	Operational modalities
B.BM-2020/09	Audited financial statements of the Green Climate Fund for the year ended 31 December 2019	Secretariat	Audit	Fiduciary standards	Governance and institutional arrangements

B.BM-2020/10	Appointment of members of the Performance Oversight Committee of the Executive Director and Heads of Independent Units	Accountability units	Matters related to Board and Board Meetings	Governance and institutional arrangements	
B.BM-2020/11	Appointment of members of the Ethics and Audit Committee	Board operation	Matters related to Board and Board Meetings	Governance and institutional arrangements	
B.BM-2020/12	Appointment of External Auditors	Accountability units	Audit	Monitoring	
B.BM-2020/13	Performance review and appointment of members of the Accreditation Panel	Accreditation	Matters related to Board and Board Meetings	Governance and institutional arrangements	Operational modalities
B.BM-2020/14	Election of Co-Chairs of the Board for 2021	Board operation	Matters related to Board and Board Meetings	Governance and institutional arrangements	
B.BM-2020/15	Appointment of Additional Experts of the Independent Technical Advisory Panel	Business model	Matters related to Board and Board Meetings	Expert and technical advice	Governance and institutional arrangements
B.BM-2021/01	Accreditation of observer organizations	Board operation	Matters related to Board and Board Meetings	Governance and institutional arrangements	
B.BM-2021/02	Dates and venues of upcoming meetings of the Board	Board operation	Matters related to Board and Board Meetings	Governance and institutional arrangements	
B.BM-2021/03	Decision of the Board on initial analysis of options to minimize the effects of currency fluctuations on the commitment authority of the GCF	Business model	Operational guidance	Financial instruments	Operational modalities
B.BM-2021/04	Decision of the Board on the reappointment of members of the	Business model	Matters related to Board and	Expert and technical advice	

	independent Technical Advisory Panel		Board Meetings		
B.BM-2021/05	Decision of the Board on the Ninth Report of the Green Climate Fund to the Conference of the Parties to the United Nations Framework Convention on Climate Change	COP	COP	Governance and institutional arrangements	
B.BM-2021/06	Decision of the Board on the accreditation of observer organizations	Board operation	Matters related to Board and Board Meetings	Governance and institutional arrangements	
B.BM-2021/07	Decision of the Board on the Evaluation Policy for the GCF	Accountability units	Policy	Evaluation	
B.BM-2021/08	Decision of the Board on the revised Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment	Business model	Policy	ESS	
B.BM-2021/09	Decision of the Board on the Administrative Remedies and Exclusion Policy	Business model	Policy	Accountability mechanisms	Fiduciary standards
B.BM-2021/10	Decision of the Board on the appointment of member of the independent Technical Advisory Panel	Business model	Matters related to Board and Board Meetings	Expert and technical advice	
B.BM-2021/11	Decision of the Board on launching the Second Performance Review of the Green Climate Fund	Accountability units	Operational guidance	Evaluation	
B.BM-2021/12	Decision of the Board on the accreditation of observer organizations	Board operation	Matters related to Board and Board Meetings	Governance and institutional arrangements	
B.BM-2021/13	Decision of the Board on the audited financial statements of the Green Climate Fund for the	Secretariat	Audit		

	year ended 31 December 2020				
B.BM-2021/14	Decision of the Board on the selection process to recruit the Head of the Independent Evaluation Unit	Accountability units	Matters related to Board and Board Meetings	Evaluation	Governance and institutional arrangements
B.BM-2021/15	Decision of the Board on the amendment to the Evaluation Policy for the GCF: Updated terms of reference of the Independent Evaluation Unit	Accountability units	Policy	Evaluation	
B.BM-2021/16	Decision of the Board on the guidelines to facilitate Board consideration of IRM reports on reconsideration requests, grievances or complaints	Accountability units	Policy	Accountability mechanisms	
B.BM-2021/17	Decision of the Board on the additional administrative budget for Phase I of the remedial activities addressing monitoring and evaluation gaps in the GCF portfolio	Secretariat	Work programme and budget	Administrative costs	
B.BM-2021/18	Decision of the Board on revisions to the Green Climate Fund's Environmental and Social Policy to reaffirm the Fund's commitment to addressing Sexual Exploitation, Sexual Abuse, and Sexual Harassment	Business model	Policy	ESS	
B.BM-2021/19	Decision of the Board on accreditation of observer organizations	Board operation	Matters related to Board and Board Meetings	Governance and institutional arrangements	
B.BM-2021/20	Decision of the Board on the status of approved funding proposals: Adding new host	FPs	FPs	Operational modalities	



	countries to FP128 (Arbaro Fund – “Sustainable Forestry Fund”)				
B.BM-2021/21	Decision of the Board on the status of approved funding proposals: extension of deadline in respect of FP145 (RELIVE – REsilient LIVElihoods of vulnerable smallholder farmers in the Mayan landscapes and the Dry Corridor of Guatemala)	FPs	FPs	Operational modalities	
B.BM-2021/22	Decision of the Board on the Investigation Standards	Accountability units	Policy	Accountability mechanisms	
B.BM-2021/23	Decision of the Board on the election of Co-Chairs of the Board for 2022	Board operation	Matters related to Board and Board Meetings	Governance and institutional arrangements	

## Appendix 2. NOTE ON METHODOLOGY

To analyse the quantity and nature of decisions made by the GCF Board, it was necessary to first collate and categorize Board decisions made in GCF-1 (i.e. the first strategic period of the GCF, starting in 2020). As the cut-off date for the data used in this paper is the end of 2021, decisions from six Board meetings have been included in the present analysis (up to B.30), as well as decisions made ‘between Board meetings’ (BBMs) from 2020 and the entirety of 2021.

Board decisions, including BBMs, are publicly available on the GCF website.<sup>14</sup> In addition, the Secretariat has published and periodically updates a “GCF Handbook” containing all decisions, policies, and frameworks. The most recent edition of this Handbook was updated in March 2022.<sup>15</sup> For this analysis, all decisions recorded on the GCF website were entered into a spreadsheet. A verification exercise was then carried out, with decisions in the spreadsheet cross-checked against those in the Handbook. Some “limited distribution decisions” – for example, decision B.28/05 – that are not published on the GCF website are recorded in the Handbook and were entered into the spreadsheet.

The next step of the analysis involved the categorization of decisions. The GCF Handbook and the GI provide potential categories under which to assign decisions, offering a strong basis for the categories that were eventually developed for this analysis. See Table A - 2 for the categories (or chapters) provided by the GI and GCF Handbook that were considered potential categories for the Board decisions for this analysis.

**Table A - 2. Potential categories provided by the Governing Instrument and GCF Handbook**

DOCUMENT	LIST OF CATEGORIES/CHAPTERS	NO. OF CHAPTERS	PRIMARY SHORTCOMING
Governing Instrument	<ul style="list-style-type: none"> <li>• Objectives and guiding principles</li> <li>• Governance and institutional arrangements</li> <li>• Administrative costs</li> <li>• Financial inputs</li> <li>• Operational modalities</li> <li>• Financial instruments</li> <li>• Monitoring</li> <li>• Evaluation</li> <li>• Fiduciary standards</li> <li>• Environmental and social safeguards</li> <li>• Accountability mechanisms</li> <li>• Expert and technical advice</li> <li>• Stakeholder input and participation</li> <li>• Termination of the Fund</li> </ul>	14	Categories based on these chapters are not necessarily mutually exclusive
GCF Handbook	<ul style="list-style-type: none"> <li>• Business model</li> <li>• Accreditation and reaccreditation</li> <li>• Funding windows/programmes</li> <li>• Accountability units</li> <li>• Strategic plan</li> </ul>	9	Categories relate to the actor/agent, not necessarily the substance of the decision

<sup>14</sup> Available at <https://www.greenclimate.fund/boardroom/decisions>.

<sup>15</sup> Available at <https://www.greenclimate.fund/document/gcf-handbook>.

<ul style="list-style-type: none"> <li>• Operation of the Board</li> <li>• Mobilisation of resources</li> <li>• Engagement with the COP</li> <li>• Consideration of funding proposals</li> </ul>			
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In our spreadsheet catalogue of GCF-1 Board decisions, we included columns for the existing categorization provided by the GCF Handbook and tagged the decisions according to which part of the GI they fall under. An example of this is shown below for decision B.27/09, “Work programmes and budgets of the independent units” (see Figure A - 1). The GCF Handbook decision category is highlighted in red, while the GI coverage areas under which this decision falls are highlighted in green. This example demonstrates several limitations in the categories provided by the GCF Handbook and the GI for the purpose of the present analysis. The decisions Handbook, for example, categorizes B.27/09 under the theme of “Accountability units”, referring to the actor/agent targeted by this decision (the Independent Integrity Unit - IIU). Such a categorization does not indicate which aspect of the IIU’s work the decision bears upon. Because our analysis focuses on the nature of decisions made by the Board in a functional sense, not the targets of these decisions, the categories provided by the decisions Handbook are inadequate for this analysis. The GI provides greater clarity in this regard, with decision B.27/09 falling under several chapters that indicate the nature of the decision being taken (on administrative costs) and the relevant actor (the IIU, one of the GCF’s accountability units). However, the main problem with categorizing decisions according to the relevant GI chapter(s) is that such categories are not mutually exclusive, as was apparent in the example of B.27/09. The present analysis seeks to understand better what types of decisions the Board has made during GCF-1 to date (up to the end of 2021), including how frequently certain types of decisions have been made and what proportion of overall decisions they constitute. It is, therefore, important that our decision categories are mutually exclusive.

Given the limitations to using these existing categories, as described above, we tried to categorize Board decisions through an inductive approach. We applied the constant comparison method (Boeije 2002), where each category of Board decision could be amended based on emerging evidence. This process is structured and transparent, allowing the evidence to be maintained from the decision texts to the analysis.

This inductive coding exercise involved a review of the catalogue of Board decisions and “coding” each decision according to its area of focus. Based on the shortcomings with existing categories, as identified above, key considerations during the coding process were ensuring that categories be mutually exclusive, and that decisions be categorized according to their nature, and not the relevant actor. As the coding progressed, patterns began to emerge across decisions, which allowed for a refining of the categories and more precise categorization.

Some decisions could be categorized in a relatively intuitive manner. Decisions related to funding proposals and accreditation proposals, for example, are a fundamental function of the GCF Board and are made consistently across Board meetings. Decisions related to the functioning of the Board (such as the opening of meetings and dates and venues of upcoming Board meetings) could also be categorized in a relatively straightforward manner. Strategy and policy decisions presented a fair degree of complexity in categorization. Several questions arose during the coding process: what is the precise distinction between policy and strategy? What is the difference between policy decisions and decisions that guide the Secretariat or the independent units?

Ultimately, we arranged decisions into **10 mutually exclusive categories**, with precise and rigorous definitions provided for each decision category (see Table A - 3). These 10 categories are strategy, policy, operational guidance, audit, work programmes, COP-related, Board matters, evaluation, accreditation proposals, and FPs. Definitions and examples of these category types are listed in

Table A - 2. It is important to reiterate that the categories indicate the **nature of the decision being made by the Board** (e.g. approving work programmes, requesting a policy to be developed) as opposed to the relevant actor.

*Figure A - 1. An illustration of the categories, as drawn from the Handbook and Governing Instrument*

Decision category (handbook)	Decision focus (IEU)	GI coverage area (primary)	GI coverage area (secondary)
Accountability units	Work programme and budget	Administrative costs	Accountability mechanisms

*Table A - 3. Definitions of decision categories*

DECISION CATEGORY	DEFINITION/EXAMPLE
Audit	Decisions related to the audit function, including audited financial statements and the appointment of an external auditor
Accreditation proposals	Decisions related to Accreditation proposals, including the approval of proposals and reaccreditation
COP	Guidance from the COP and other decisions related to the COP
Funding proposals	Decisions related to FPs, including approval of proposals and the extension of deadlines
Matters related to the Board and Board meetings	Procedural decisions related to the operation of the Board (opening of meetings, dates and venues of Board meetings) Matters related to Board activities (including committee appointments and reviews, workplans) Matters related to Board-appointed officials (including heads of independent units, performance reviews)
Operational guidance	Decisions that request the Secretariat or independent units to revise or develop a policy, carry out a review, or approve other non-policy and non-strategy actions (e.g., B.28/02)
Policy	Decisions related to regulations or procedures for any or all GCF stakeholders, including the Board, Secretariat, independent units, and AEs. Policy decisions include B.29/01 (Integrated results management framework and results tracking tool) and B.BM-2021/16 (Decision of the Board on the guidelines to facilitate Board consideration of IRM reports on reconsideration requests, grievances or complaints)
Strategy	Strategic decisions concern overall plans that set organizational objectives. From our analysis, only one such decision emerged: B.27/06 (Updated Strategic Plan for the GCF for 2020-2023)
Work programme and budget	Decisions related to the work programmes and budgets of the Secretariat and independent units, as well as of specific programmes such as the Readiness and Preparatory Support Programme
Evaluation	Items related to evaluations, assessments, and syntheses reports produced by the IEU, as provided in the GCF Evaluation Policy. For example, the Board may take

note of IEU evaluation reports, as in B.30/02. Decisions related to workplans and operations are not included here and are covered in the category above



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Independent Evaluation Unit  
Green Climate Fund  
175 Art center-daero, Yeonsu-gu  
Incheon 22004, Republic of Korea  
Tel. (+82) 032-458-6450  
[ieu@gcfund.org](mailto:ieu@gcfund.org)  
<https://ieu.greenclimate.fund>



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